



KERALA STATE ELECTRICITY BOARD Ltd

(Incorporated under the Companies Act, 1956)

Registered Office: Vidyuthi Bhavanam, Pattom, Thiruvananthapuram – 695 004

CIN: U40100KL2011SGC027424

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ABSTRACT

Availing of the Short Term Loan of Rs.200 Crore from M/s REC Limited- Sanctioned - Orders issued.

CORPORATE OFFICE (FINANCE WING)

B.O. (FTD) No.88/2024 (Fin 2(A)/REC-STL-200Cr/2024)
Thiruvananthapuram.

Dated:29-02-2024

Read :

- (1) Letter No.Fin2(C)/REC-STL 200crore/2022-23 dated 16.08.2022.
- (2) Letter No.REC/RO-TVM/KSEB/Sanction-STLRs.200crore/FY 2022-23 D.O145 dated 06.09.2022.
- (3) Letter No. REC/RO-TVM/KSEB/RBPF/FY 2022-23/D.No.135 dated 18.08.2022.
- (4) Letter No.REC/RO-TVM/KSEBL-RBPF-Rs.500cr FY 2022-23/ D.No.147 dated 06.09.2022.
- (5) Letter No.9611/KSEBL/FA/FBI/3/2023-24 dated 26.12.2023.
- (6) Letter No.REC/RO-TVM/KSEBL/Sanction-STL/FY 2023-24/94 dated 28.12.2023.
- (7) Letter No.REC/RO-TVM/KSEBL/Sanction-STL/FY 2023-24/96 dated 02.01.2024.
- (8) Letter No.Fin.2(A)/REC-STL/2023-24 dated 06.02.2024 of the Financial Adviser.
- (9) Letter No.REC/RO-TVM/KSEBL/115 dated 23.02.2024.
- (10) Letter No.REC/RO-TVM/KSEBL/116 dated 26.02.2024.
- (11) Note No.Fin.2(A)/REC/STL-200/2023-24 dated 26.02.2024 of Financial Adviser submitted to the Full Time Directors (Agenda No. 28-2/2024).

ORDER

KSEBL requested REC to sanction a Short Term Loan of ₹200 Crore as per letter read as 1st

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above. M/s. REC Limited had sanctioned a Short Term Loan of ₹200 Crore as per sanction letter read as 2nd above.

In the mean time REC offered a revolving bill payment facility with regard to the power purchase payment and sanctioned the facility and forwarded the agreement format along with the sanction letter as per letters read as 3rd and 4th above.

As per the clause 25 of the draft agreement forwarded by M/s. REC, KSEBL had to appoint a Nominee Director in case outstanding loan expenditure (including the existing sanction) towards REC exceeds ₹1000 Crore.

Since the condition was unfavourable to KSEBL, the offer of STL-₹200 Crore and the RBPS facility of ₹500 Crore were deferred.

Now it is informed by REC that the above condition is not being insisted and as per the request of KSEBL read as 5th above the short Term Loan of ₹200 Crore has been revalidated with the applicability of the original sanction as per sanction letter read as 2nd above, but with modification of interest rate to 9.75% and additional security to provide hypothecation of existing assets with suitable escrow cover.

Considering the request letter from KSEBL dated 30.12.2023 REC Ltd. revised the interest rate to 8.99% p.a. (fixed) with monthly rest a rebate of 76 bps on applicable interest rate of 9.75% and security clause revised by waiving the clause for hypothecation of assets.

KSEBL requested to review and exempt the pre-commitment conditions regarding subsidy receivable from Government and Government Department dues in the original sanction letter and to reschedule the repayment tenor with a tenor of 12 months repayable in six installments after a moratorium period of six months. KSEBL also provided the details of steps taken to clear the Government Department dues to REC.

In response the above letter, REC replied that the pre-commitment conditions could be treated as complied with and conveyed their in-principle approval for the revised tenor of 12 months as per letters read as 9th and 10th above.

The said sanction is subject to acceptance of loan by KSEBL by way of Board Resolution accepting the terms and conditions, mentioned in the sanction letters read as 2nd, 6th, 7th, 9th and 10th above and execution of documents.

The Financial Adviser placed the matter before the Full Time Directors as per note read as 11th above and recommended to avail the loan citing the present precarious

financial condition and the difficulty in raising loan from banks / Fls on account of prudential norms imposed by RBI.

Having considered the matter in detail, the Full Time Directors has resolved to accord sanction for the following.

1. To avail Short Term Loan of ₹200 Crore(Rupees Two Hundred Crore) at an interest rate of 8.99% p.a (fixed) with monthly rest without any reset for a period of 12 months from M/s.REC Limited as per the terms and conditions of the letter No.REC/RO-TVM/ KSEBL/Sanction-STL/FY 2022-23 D.O145 dated 06.09.2022; letter No.REC/RO-TVM/KSEBL/Sanction-STL/FY 2023-24/94 dated 28.12.2023 ; letter No. REC/RO-TVM/KSEBL/Sanction-STL/FY 2023-24/96 dated 02.01.2024 ;letter No.REC/RO-TVM/KSEBL/115 dated 23.02.2024 and letter No.REC/RO-TVM/KSEBL/116 dated 26.02.2024 of the Chief Program Manager, M/s.REC Limited.
2. To enter into a Tripartite Default Escrow Agreement amongst State Bank of India, Kerala State Electricity Board Limited and M/s REC Limited for providing security for the above loan.
3. To authorize the Senior Finance Officer to sign the required documents on behalf of Kerala State Electricity Board Limited in this regard.
4. To affix the common seal of the company in the required documents in the presence of Director (Finance).
5. To authorize the Company Secretary for filing necessary forms, if any with Registrar of Companies.
6. To approve the resolution in this regard appended herewith.

Orders are issued accordingly.

By Order of Full Time Directors

Signed by

Lekha G

Date: 29-02-2024 17:28:47

COMPANY SECRETARY

To:

The Financial Adviser.

The Senior Finance Officer.

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Copy to:

The Company Secretary / Chief Engineer (IT,CR&CAPS) / Financial Advisor / LA&DEO / Chief Internal Auditor / Chief Vigilance Officer

The TA to the Chairman & Managing Director / Director (Generation-Civil) / Director (Distribution, Safety, SCM & IT) / Director (Transmission, SO & Planning) / Director (Generation - Electrical, REES, SOURA, Sports & Welfare)

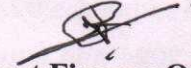
The PA to the Director (Finance & HRM)

The Sr.CA to the Secretary (Administration)

The RCAO/ RAO

Stock File.

Forwarded / By Order



Assistant Finance Officer